



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

May 15, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 1 TO LEASE NO. 73948
SHERIFF'S DEPARTMENT
3010 EAST VICTORIA STREET, RANCHO DOMINGUEZ
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

A three-year lease amendment to renew the term for 14,040 rentable square feet of office space and 94 surface parking spaces for the Sheriff's Department.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign a three-year lease amendment with Mitsubishi Warehouse California Corporation (Lessor) for the continued occupancy of 14,040 rentable square feet of office space and 94 surface parking spaces for the Sheriff's Department. The maximum annual total lease cost is \$203,672, which consists of the annual base rent in the amount of \$171,031 plus annual insurance and utilities costs estimated to be approximately \$32,641. The annual lease costs are 100 percent net County cost.
3. Authorize the Chief Executive Office and the Sheriff's Department to commence the three-year lease renewal term upon Board approval.

"To Enrich Lives Through Effective And Caring Service"

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since 1990, the Sheriff's Department has occupied the subject facility in close proximity to the Carson Sheriff's Station. The facility is currently occupied by 91 staff of Operations Safe Streets (OSS) and eight staff of the Multi-agency Criminal Apprehension Detail (MCAD)/Cargo Cats Unit. Both OSS and MCAD/Cargo Cats will remain in the facility pending relocation to the Lennox Sheriff's Station in approximately 12 months.

OSS is primarily responsible for the investigation of gang related crimes and coordinates gang prevention, intervention and suppression programs. The MCAD/Cargo Cats Unit, assigned to the Commercial Crimes Bureau, investigates cargo related theft and works in partnership with the transportation, warehouse and insurance industries. MCAD/Cargo Cats investigates, recovers, and confiscates stolen cargo from various locations throughout Los Angeles County, and provides operational support to all Los Angeles County Sheriff's stations in their efforts to identify and combat cargo related theft.

The facility provides a confidential and secure operational environment and a centralized site for crime prevention within close proximity to the Long Beach Harbor, the Alameda Corridor, local freeways, and the south, west, central and east areas of Los Angeles County. The occupancy of the facility may vary daily to accommodate additional multi-agency law enforcement personnel.

The existing lease adopted on April 2, 2002, provided the County a five-year term and a five-year renewal option that was exercised May 8, 2007, due to expire May 7, 2012. The Lessor would not allow the County to holdover indefinitely and has proposed to renew the lease for three additional years. The proposed amendment to renew the lease provides a 30 percent reduction of the base rent and right to cancel the lease after 12 months of the renewal term upon 60 days prior written notice to accommodate the relocation of MCAD/Cargo Cats. All other terms and conditions will remain the same as provided in the original lease. The proposed amendment will provide the Sheriff uninterrupted use of the premises to continue program operations, the flexibility to cancel the lease in 12 months, and relocate once the identified alternate premises are made available, at which time the lease will be terminated.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goals of Operational Effectiveness (Goal 1), Fiscal Sustainability (Goal 2), and Integrated Services Delivery (Goal 3) direct that we provide the public with operational effectiveness by maximizing processes, structure, and operations to support timely delivery of customer-oriented and efficient public services; with fiscal sustainability by proactive and prudent fiscal policies and stewardship; and integrated services delivery through the continuous integration of public safety services. The proposed lease supports these goals through the provision of a central facility to support multi-agency collaborative crime prevention and training.

FISCAL IMPACT/FINANCING

The initial annual base rent will not exceed \$171,031, plus insurance and utilities estimated to be approximately \$32,641, for a total annual lease cost of \$203,672. The monthly base rent will remain subject to annual adjustment based upon the Consumer Price Index (CPI), capped at 3 percent. The existing lease is modified-gross whereby the Lessor is responsible for all operating costs associated with the County's occupancy, with the exception of insurance and utilities. The existing lease also provides 94 on-site surface parking spaces included in the base rent.

3010 East Victoria Street	Current	Proposed	Change
Area (Square Feet)	14,040	14,040	None
Term (years)	Five years	Three years	-Two years
Annual Base Rent	\$244,330 (\$17.40/sq. ft.)	\$171,031 (\$12.18/sq. ft.)	-\$73,299 (-\$5.22/sq. ft.)
Maximum Annual Lease Cost	\$266,569	\$203,672	-\$62,897
Cancellation	After third year with notice no earlier than 270 days, nor no later than 180 days prior to the third year anniversary	After 12 months with 60 days notice	-Two years, - 120 days notice
Parking (included in base rent)	94	94	None
Options to Renew	One five-year option	None	No option
Rental Adjustment	Annual CPI capped at 3 percent	Annual CPI capped at 3 percent	None

Sufficient funding for the proposed lease amendment is included in the proposed Fiscal Year (FY) 2012-13 Rent Expense budget and will be charged back to the Sheriff's Department. The Sheriff's Department has sufficient funding in its FY 2012-13 operating budget to cover the projected lease costs which are 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment to renew the lease for three years will be effective and the renewal term will commence upon adoption by your Board for the continued use of 14,014 rentable square feet of office space and 94 surface parking spaces, plus the cost of insurance and utilities for the Sheriff's Department. All of the prevailing terms and conditions remain the same except for the following provisions contained in the amendment:

- The annual rent will be reduced 30 percent from \$244,330 to \$171,031.
- The County will have a right to cancel the lease at or any time after 12 months with 60 days notice.

The Chief Executive Office (CEO), Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County owned and leased facilities within a five mile radius of the subject facility. Based upon the survey, staff has established that the annual rental range for similar space is between \$18.00 and \$25.20 per square foot on a full-service gross basis. Therefore, the proposed base annual rental rate of \$12.18 plus the estimated costs of insurance and utilities of \$2.32 totaling \$14.50 is well below the range of a full-service gross market rates for this area.

A childcare facility is not feasible at this location. The Department of Public Works inspected the facility for seismic safety and Americans with Disabilities Act accessibility and has found it suitable for County occupancy.

Lease renewal notification letters have been sent to the County of Los Angeles Department of Regional Planning pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded this project is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed amendment for a three-year lease will allow the Sheriff's Department to continue uninterrupted law enforcement services from the subject facility. The Sheriff's Department concurs with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and the adopted, stamped Board letter and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:MM:ls

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Sheriff

BL 3010 East Victoria Rancho Dominguez Sheriff

SHERIFF'S DEPARTMENT
3010 EAST VICTORIA STREET, RANCHO DOMINGUEZ
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²		X	
	B	Does lease co-locate with other functions to better serve clients? ²		X	
	C	Does this lease centralize business support functions? ²		X	
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² 142/sq. ft.	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? 100% NCC	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space? OSS and MCAD/Cargo Cats will remain in the facility pending relocation to the Lennox Station in approximately 12 months once the premises are available for occupancy.			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? The Lessor would not allow the County to holdover indefinitely and has proposed to extend the term three-years, with a 30 percent reduction of the base rent, and a County right to cancel the lease after 12 months of the renewal term upon 60 days prior written notice to accommodate the relocation of MCAD/Cargo Cats to the Lennox Station. A build-to-suit or capital project is not under consideration at this time as it is not feasible due to cost and time constraints.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located. Relocation to the Lennox Station in approximately 12 months once the premises are available for occupancy.			
	E	Is lease a full service lease? ² County pays the cost of insurance and utilities.		X	
	F	Has growth projection been considered in space request?			X
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

SHERIFF'S DEPARTMENT
3010 EAST VICTORIA STREET, RANCHO DOMINGUEZ
 Five-mile radius search from 3010 E. Victoria St., Rancho Dominguez

LACO	FACILITY NAME	ADDRESS	OWNERSHIP	SQUARE FEET AVAILABLE	SQUARE GROSS	FEET NET
A020	SHERIFF-FIELD OPERATIONS REGION II	3010 E VICTORIA ST, RANCHO DOMINGUEZ 90221	LEASED	NONE	14,040	10,668
A959	DPSS-PARAMOUNT AP DISTRICT/GAIN PROGRAM REG V	2959 E VICTORIA ST, RANCHO DOMINGUEZ 90221	LEASED	NONE	54,000	44,280
C600	DPSS-SOUTH FAMILY AP/SPECIAL DISTRICT OFFICES	17600 S SANTA FE AVE, RANCHO DOMINGUEZ 90221	LEASED	NONE	133,000	103,324
X169	DPSS-COMPTON AP DISTRICT OFFICE	211 E ALONDRA BLVD, COMPTON 90220	OWNED	NONE	48,135	38,777
A556	DMH/DC&FS-COMPTON FAMILY SERVICES CENTER	921 E COMPTON BLVD, COMPTON 90221	LEASED	NONE	30,090	28,586
6420	COMPTON COURTHOUSE	200 W COMPTON BLVD, COMPTON 90220	STATE AND COUNTY(PARTIAL)	NONE	576,466	257,217
5982	PUBLIC LIBRARY-COMPTON LIBRARY	240 W COMPTON BLVD, COMPTON 90220	OWNED	NONE	43,842	15,830
A139	DCFS-SOUTH COUNTY (SPA 8)	4060 WATSON PLAZA DR, LAKEWOOD 90712	LEASED	NONE	87,200	60,265

**AMENDMENT NO. 1 TO LEASE NO. 73948
3010 EAST VICTORIA STREET, RANCHO DOMINGUEZ**

THIS AMENDMENT NO. 1 to LEASE and AGREEMENT NO. 73948 ("Amendment No. 1") is made, entered and dated as of this _____ day of _____, 2012, by and between MITSUBISHI WAREHOUSE CALIFORNIA CORPORATION ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS

WHEREAS, a Lease by and between Mitsubishi Warehouse California Corporation, as Lessor, and the County of Los Angeles, as Lessee, was executed April 2, 2002, (the "Lease"), pursuant to which Lessor leased to Lessee those certain Premises located at 3010 East Victoria Street, Rancho Dominguez, California, consisting of approximately 14,040 rentable square feet of office space and 94 surface parking spaces, (the "Premises") and;

WHEREAS, the sole Option to Renew the Lease between Mitsubishi Warehouse California Corporation, as Lessor, and the County of Los Angeles, as Lessee, was exercised May 8, 2007, pursuant to which Lessor leased the Premises to Lessee for an additional five years under the same terms and conditions contained in the original Lease and;

WHEREAS, Mitsubishi Warehouse California Corporation, acknowledges that the terms of this Amendment No. 1 to Lease No. 73948 will not become effective until such time that said Amendment is adopted by the Board of Supervisors of the County of Los Angeles, and;

WHEREAS, Lessor and Lessee desire to, among other matters, amend the terms of the Lease to extend the period term and reduce the monthly rental rate.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements herein contained, Lessor and Lessee hereby covenant and agree as follows:

1. **TERM:** Paragraph 2.A., ORIGINAL TERM, is hereby amended such that upon adoption of this Amendment No. 1, by the Board of Supervisors of the County of Los Angeles, unless cancelled or otherwise terminated in accordance with the provisions of the Lease as amended, the term of this Lease as amended is hereby extended such that it shall commence on the date of adoption (the "Commencement Date") and continue for a term of three years.
2. **RENT:** Paragraph 3, RENT, is hereby deleted in its entirety and the following is substituted therefor:

The first full calendar month's rent shall be due and payable within thirty (30) days of the Commencement Date in the total amount of fourteen-thousand two-hundred

fifty-two and 56/100 dollars (\$14,252.56). A monthly installment in the same amount, subject to the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date during the Term, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis, provided that Landlord shall file a payment voucher with the Auditor of the County of Los Angeles (the "County") for the monthly Rent prior to the Commencement Date for the initial month(s) of the Term up to and including June, and annually thereafter each June for the ensuing twelve (12) months.

3. **CANCELLATION:** Lessee shall have the right to cancel this Lease Amendment No. 1, at or any time after twelve (12) months of this amended Lease term by giving Lessor not less than sixty (60) days prior written notice by Chief Executive Office letter.
4. Wherever a conflict exists between the terms of this Amendment No. 1, and the original Lease, the terms and conditions of Amendment No. 1 shall prevail. All other terms and conditions of the original Lease shall remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 1 to Lease and Agreement No. 73948 or caused it to be duly executed, and the Lessee by order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:

MITSUBISHI WAREHOUSE CALIFORNIA
CORPORATION
a California corporation

By 
TARASHI KOZU . VICE PRESIDENT

By _____

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____
ZEV YAROSLAVSKY
Chairman, Board of Supervisors

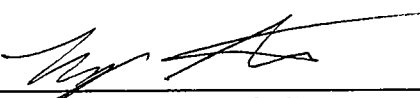
ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
Acting County Counsel

By 
Deputy: Byron Shibata